

A
LETTER

FROM AN

English Merchant

AT

AMSTERDAM,

TO HIS

FRIEND

AT

LONDON,

CONCERNING THE
Trade and Coin of ENGLAND.

LONDON: Printed in the YEAR 1695.

LETTER

ff

45937
2388

52461

04

TRIED

LONDON

THE LIBRARY

OF CONGRESS

A
LETTER

FROM

An *English* Merchant at *Amsterdam*,
to his Friend at *London*.

S I R,

I Writ you sometime since my Opinion concerning the rise of Gold and Guinea's in *England*, the Occasions of it, the Consequences attending it, and the Means whereby it might be remedied; which if not done, I told you my fears what it would in time produce, and which you have since seen actually come to pass. And truly, though in a manner a stranger to my Native Country, yet cannot but have an Affection for it, and be much concerned at the difficulty it Labours under in a great measure from the Ill Conduct of its Policy in respect to your Coin, and the little Skill your People have, in respect to Gold or Silver, and the Balance of Trade. Whereon I willingly give you my further Thoughts, as far as my time will allow me for your own Information: And if you agree with me, and can make use of them for the benefit of the Publick, I shall be hearty glad; and though

I have been a sharer in the Spoil, yet not a little affected with the Calamity.

The occasion of the Advance of Gold and Guinea's, I observed to you, was from the badness of your Silver Coin, that is currant amongst you, and from whence that Mischief had its rise, that as I hear, a Hundred Pounds in Silver weighs now generally but 14 *l.* to 18 *l.* instead of 32 *l.* which it ought to weigh; and this you have suffered insensibly to steal upon you, growing every day, and from one Year to another, Clipping it by degrees three or four times over, till at last it's come to this, that it can hardly be clipt any longer; and this Evil was carried on in City and Country by ill Men, and encouraged by some Goldsmiths, Refiners, and others; as in a like case your Stock-Jobbers did, by deceiving the People with Tricks and Artifices in your several imaginary Stocks so called, of Paper, Linnen, Copper, Diving, Dipping, Salt-Petre, &c. which, according to a common Notion amongst you, every thing is as much worth as it will sell for; and so those things were bought and sold some ten times (some more, some less) as much as they were worth; some were perfect Air and Fancy, and many Families ruined by these Projects: And so a clipt Shilling or Half Crown, where is the hurt, it will go? This brought upon you the rise of Gold and Guinea's, and occasioned our sending you such great Quantities. But could your People be guilty of a greater weakness, than to take them from us? *Hamburg, Spain, Scotland, Ireland,* and all other Neighbouring Parts of *Europe*, at an advanced Price, to cheat your selves by an imaginary Value that you set upon them, whereby you brought your selves into Debt to us; for it's the same thing I think, whether you buy Gold of us, or any other Commodity, it brings you into Debt to us, and your other Neighbours, which, supposing you wise Men, you must think to pay us again.

No

No Man can complain of Gold or Silver being brought into a Country, if it be the Returns of your Commodities, and that it comes to you at no more than it's worth, it's a sign of Riches and Increase, and of an over-balance of Trade in favour of that Kingdom or Country. But did you enquire how you came by our Gold, that it was not we, or your other Neighbours owed it you; no, you bought it at too dear a Rate, making good the Old Proverb, *A Man may buy Gold too dear*: Not considering how you should pay for it, which must be either in Silver Commodities, or by sending our Gold back at 4 *l.* an Ounce, which you took from us at 5 *l.* to 5 *l.* 6 *s.* for we shall not take it at more, and so you will lose backward and forward; and pray consider if you had not better been without it. To pay us again Silver you have none, for you have carried on that Cheat too far to make 50 or 60 *l.* pass for 100 *l.* We have had the Clippings off of it; but how did we take them? Not as you did our Gold, did Silver advance with us, as Gold has with you; nor did your Commodities immediately advance in any proportion to the rise of Gold.

Commodities, I think, we have pretty well drained you of; and I have heard that some of your Unthinking, Ignorant People have thought it a great Advantage, and talk big of the rise of your Wool, Minerals, Manufactures, Skins, &c. I must confess it's a good Effect of a bad Cause; but it has no Foundation if you examine it, nor have your People any reason to rejoyce at it, without it be in making them dear to your selves, and cheap to your Neighbours. Matter of Fact will prove this: You have no more Money from us for your Perpetuanoes, Cloaths, Lead, &c. than you use to have, but less; I appeal to your own Accounts, are they not sold cheaper here, and in *Spain, Italy, Germany, Flanders, &c.* than they use to be? We can buy more, and Cloath our selves cheaper.

cheaper with your Gloath than you can do. But above all, and which is worst of all, we can send them to the *East-Indies, Turkey, Italy, Spain*, and all the World over, cheaper than you can; whereby you must lose your Trade and Navigation, and become a poor People, if you think no better of it. As for Example, If our *East-India* Company want 1000 Cloaths to send to *India*, or our *Turkey* Merchants to *Turkey*; they buy, and you buy, at suppose 10*l.* a Cloath, ours cost us but about 75 to 80 Guilders, yours 10*l.* for so I must call it; though I must confels it's not above 6*l.* of good Money; the Question is, Which of us can sell cheapest abroad, and upon the Returns, will be the best Gainers, he that has laid out 75 Guilders, or he that has laid out 10*l.* And whether we cannot afford to sell our Returns cheaper, either from *India* or *Turkey*, and work up our Silk into Manufactures, and send them out again to any Part of the World, cheaper by almost 25 *per Cent.* than you can? If this be true, you must lose all your Trade. The same Reason holds in your Silver sent to the *East-Indies*, we can send an Ounce, which stands us in 5*s.* 2*d.* for Silver is not more worth here, and you must go with Pieces of Eight at 7*s.* or Bars at 6*s.* 4*d.* Which goes cheapest to Market? And which can sell cheapest at their return? The same thing is true in your East-Country Trade, for your Stores, in your Trade with us and all the World besides. Ask any of your People that have been lately here, if they can buy any more for a Guinea now you call it 30*s.* than you could when you called it 21*s.* 6*d.* The *Dutch* are wiser, and it will, it must be so with you in a little time.

Besides, as to your Manufactures, you ought to consider and take heed that you be not exhausted of all you have, and want Wool to set your People at Work, and Employ your Poor. I think it's evident you have almost cut the *English* Merchant, and *English* Shipping out

out of all Trade; for a *Dutchman*, a *Spaniard*, *Portuguez*, or *Italian*, makes his Advantage at first: Lays out less Money, runs the Risque of less; as thus, if they remit their Money, suppose the *Italian* 1000 Dollars from *Livorn*, he has 300 *l.* at 6 *s.* per Dollar; his Exchange is made, and he has 300 *l.* for what he would have had formerly but 230 *l.* he runs the Risque of no more than he did before. You have your Exchange to make, more Money to lay out, a greater Sum to run the Risque of, or to Ensure upon. So the *Spaniard* gets 5 *s.* 8 *d.* for his Piece of Eight, the *Portuguez* 7 *s.* 6 *d.* for his Milrea, and we give you but 27 *s.* for your Pound, and have all of us these Advantages upon you, and you must wait the uncertainty of the Exchange for your Returns, and of Markets, either at home or abroad, for your Sales; but to place it where there is no Exchange, we have all certainly 20 to 25 per Cent. Advantage upon you.

All which considered, if you will continue your Trade, Employ your People and Shipping, and subsist under an Expensive (though Necessary) War, you must call in your Money, new Coin it of its Ancient Weight and Alloy; abate, as much as in you lyes, the Consumption of Foreign Commodities, especially those of Luxury and Prodigality; be thrifty in all your Expences, and above all, greater care must be taken of your Trade, to prevent those Losses which you have sustained, and is in a great measure the cause of all your Miseries.

I am informed that the main Objections against the Calling in, and new Coining your Money, are reduced to these four.

- (1.) How you shall make good the Loss to the People. That they will lose 8 *s.* 6 *d.* by a Guinea, and perhaps 30 to 40 *l.* or 50 *l.* in a Hundred.

- (2.) That

- (2.) That during the War it's not convenient to be done, it must be in a time of Peace.
- (3.) That if it be brought to its due Weight and Fineness, it will be all carried out, and you will want the Species of Money.
- (4.) That it passes, and serves all necessary Occasions of Life, buys Bread, Drink, Meat, pays House-Rent, &c.

For the First, it would not become me to Advise the making or not making good the Loss to the People; nor the Method of doing it, that will be duly considered by your Parliament, who now suddenly are to meet; and God Almighty prosper their Consultations.

For the Second, its not being to be done during the War: I think the War is an Argument for doing it. I do not see how you can carry on the War unless it be done; I could be glad to have the Reasons sent me that those Men give, who make this difficulty, the delay of it, to any considering Man, must make the Sore worse, and the Contagion spread: I would hope that it's not so bad as we fancy, and that great Quantities of large Money are hoarded up by those that can keep it, which is laid by now upon the fear of an Alteration; and if nothing be done in it, Necessity may force that abroad, and so come to be clipt, and thereby make the Loss greater. You have seen, and are convinced, that had it been done in 1694. your Money was not then so bad as it is now, and it's dangerous to let a thing run too long without Repair. Perhaps, and so much the better, that it's only the very worst of your Money that passes now one to another: But I hear that it's with difficulty that that is paid, and that one third of it is Iron, or counterfeited. Can you think that by that time the War is at an end, which God knows when it will, but that
much

much more of your Silver Money will be Clipt, and perhaps, your quantity of Iron and Counterfeit Money doubled upon you, so that what would make good the Loss now, may be double or treble then. Besides, if it be not done now, your Guineys must rise, if you will keep them; so that the Loss may come to be 18 s. 6 d. on a Guiney, instead of 8 s. 6 d. A Man need be no Prophet to tell this, they are better worth 40s. than 100 l. in common Tale 50. then you will Repent, as surely you now do, that it was not done last Year, or seven Years ago: And consider how much better it had been for you, that your Bank, Companies, Goldsmiths, Refiners, and Jews, had Exported your Coin instead of those Millions of Ounces of Clipt Silver, for that was robbed from the Publick, which now cry to have it made good to them; and if still delayed, your Growth and Manufactures must daily rise, to the Prejudice of the *English*, and Benefit of Foreigners: And your Exchanges by consequence must render not only your own Goods and Product, but all Foreign that you Import, excessively dear to you.

To the Third, That if it be brought to its due weight and Fineness, it will be all carried out. It's a certain Truth, so it will, so it must; if you owe, you must pay, there is no Remedy: But you would not part with your Money. The Trade of a Nation is the same as between single Persons, and holds equally true. Two Merchants agree for Commodities, or two Farmers agree, one sows Wheat, the other Barley; and they are to Truck, so many Bushels of Barley against so many of Wheat; the Barley is cut and delivered, the Crop of Wheat fails; now, must not the want be made good in Money, if he has it, or be trusted, or the Man must break? This is the Nature of Trade in and with all Nations, and of *England* at this time, who is in the con-

dition of the Man with his Crop of Wheat. You abate nothing of your Expence, you have an Army and Fleet abroad to maintain; your Losses by Sea, especially from the East and West *Indies*, the most Profitable of your Trades, have been Great. Your Crop has failed, but still you would keep your Money, but you cannot; you owe, and you must pay. We take your Woollen, Goods, and Minerals, &c. and we must have the remaining Balance in Money, and if you have no Silver, our Gold must come back, though you should carry on the Cheat further upon your selves, and raise your Guinea to 35, nay, 40 s. You must by care of Trade get us into your Debt, and then you will have our Money. You have an Instance with *Ireland* very plain, 100 l. in *England* used to be worth 110 l. to 115 l. in *Ireland*; now they write me thence, that they give but 80 to 83 in *Ireland* for 100 l. in *England*. They sent you all their Guineys, and though they raised them upon themselves from 23 s. to 26 s. which they needed not have done, they must and will have their Gold again, and they are now going back. You may send them Guineys at 30 s. which they taking at 26 s. is better than to lose 24 *per Cent.* by the Exchange.

The other Objection, of your Clipt Money serving and buying all the Necessary Occasions of Life, as Bread, Beer, Meat, &c. has little in it, (for that is not altogether true, your Corn is the dearer) unless the Expence was all that you had need of; you see that all things else, both Exported and Imported, are regulated in some measure by the Value of your Money, and it has its Influence, and will daily have more and more upon your Provisions.

It's reported here, that you are upon a Project of lessening the Weight of your Money, by making it 20 *per Cent.* or any thing, what you will, less in Weight, than

than you formerly coined it, and to stamp 4 s. and call it, and make it pass for 5 s. Surely this Fallacy can never pass upon *English-men*, that have seen and known the folly of such Devices in *Spain* and *Portugal*: And some say, it will bring you in Silver; it may do so, and abundance more, if you will call 2 s. 6 d. 5 s. and make it pass so; and you shall have Silver as you have had Gold, but remember who will get by it. You must pay us for it, not in Name, we shall not take 2 s. 6 d. for 5 s. but it will please us to see you bubbled, and that you will sell us any thing upon that foot. We shall buy all you have with your imaginary 5 s. and furnish the rest of the World with them; for if your Goods, Growth, Product and Manufactures, and Lands do not immediately advance in proportion, we shall have a fine time to buy Goods and Land in *England*; and we shall buy your Shipping too, for I cannot see any further occasion you can have of it. Is your Landed-man asleep, and thinks nothing is the matter that Lands in *England* could not be purchased, 10 l. a Year, at 20 Years Purchase, under 2000 Guilders, and that now we can buy 10 l. a Year for 1600 Guilders; that is, some few Years since 200 l. in *England* would have cost us 2000 Guilders, and now we have it for 1600. So that your Lands are not risen, but fallen Five Years Purchase, and you seem not aware of it. And does not the Country Gentleman find that he has not so much for his 100 l. as he used to have, of Sugar, Linnen, Wine, Apparel, &c. Nor can he spend so much as he used to do. On which I could say much more; but I doubt I have been too Prolix. You will Pardon my indigested Thoughts in Love and Zeal to my Native Country, and in Answer to your Desires, Who am,

S I R,

Your Most Humble Servant,

Amsterdam,
Nov. 29. N. S. 95.

P. D.

P. S.

P. S. The Consequences of lessening the weight of your Coin, with respect to your selves, or amongst one another, must stare every Man in the Face; that you must lose so much of your Rents, Debts, value of your Lands, unless your Tenants take new Leases, and the Landlord advance his Rent so much, and all Contracts be made void, and Debts be paid in old Money. But I have rather confined my Thoughts to what relates to you and us; and your other Neighbours, that what is owing to you abroad, must be remitted to you, payable in Old Money, as you have it now from Spain, or I fancy you will come by the Loss.

F I N I S.